

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of  
Friday, May 8, 2009

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Callisto, Commissioner Meyer, and Commissioner Azar.

**Minutes**

The Commission approved the minutes of the Open Meeting of Thursday, April 30, 2009.

**5-AE-182 – Application for Approval of an Affiliated Interest Agreement between Wisconsin Power and Light Company and American Transmission Company LLC for Agreement Relating to the Caroline Substation**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**5-AE-183 – Application of American Transmission Company LLC and Wisconsin Electric Power Company, d/b/a We Energies, for Approval of an Affiliated Interest Agreement Relating to Highway 22 and Werner West Substation Balancing Authority Metering Facilities Installation**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**5-AE-184 – Application of American Transmission Company LLC and Wisconsin Electric Power Company, d/b/a We Energies, for Approval of an Affiliated Interest Agreement Relating to Freeman and North Lake Substation Balancing Authority Metering Facilities Installation**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**5-CE-138 – Joint Application of Wisconsin Power and Light Company, Wisconsin Public Service Corporation, and Madison Gas and Electric Company for a Certificate of Authority to Install Emissions Reduction Systems at the Columbia Energy Center Units 1 and 2**

The Commission approved the Notice of Proceeding and Prehearing Conference and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**3270-CG-119 – Application of Madison Gas and Electric Company, as a Natural Gas Public Utility, for Authority to Construct Natural Gas Main in the Towns of Middleton and Verona and the City of Madison, Dane County, Wisconsin**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**4220-GF-115 – Application of Northern States Power Company-Wisconsin for a Gas Risk Management Program**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**4310-CW-107 – Application of Oak Creek Water and Sewer Utility, Milwaukee County, Wisconsin, to Construct a Puetz Road Booster Station**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**5780-WR-102 – Application of Sturgeon Bay Utilities, Door County, Wisconsin, for Authority to Increase Water Rates**

The Commission approved the Notice of Proceeding and Telephonic Hearing and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**9300-EI-100 – Investigation on Commission's Own Motion of Impacts or Activities Related to the Operation of Energy Markets by the Midwest Independent Transmission System Operator**

The Commission discussed the generator interconnection issues involving the current Midwest Independent System Operator (Midwest ISO) tariff.

The Commission agreed that for additional lines at 345 kV and above, a hybrid approach that allocates costs between specific parties and a postage stamp allocation would be preferred. The Commissioners discussed that a hybrid approach might apply more of a postage stamp allocation than the current formula.

The Commission also discussed the line outage distribution factor, and agreed that it might be appropriate to include this (at some percentage) in any new formula. Other allocation methods were discussed, but were not preferred.

For lower voltage lines, the Commission discussed applying all costs to the interconnecting generator. The Commission identified that any near-term modification to the Midwest ISO tariff should be as narrow as possible, specifically designed to address the problems created in situations where proposed generation is significantly out of proportion to the load in the area. In this situation, a “circuit breaker” approach similar to that proposed by WE Energies is preferred.

The Commission did not make a motion on any specific option, and specifically identified that additional information may lead to different conclusions.

The Commission designated Randy Pilo as the Commission’s proxy for the Midwest ISO RECB Taskforce, and established authority for Mr. Pilo to designate a proxy on his behalf.

**3270-FR-103 – Fuel Rules Proceeding to Adjust Madison Gas and Electric Company’s Electric Rates Originally Set in Docket 3270-UR-115**

**Request to Reopen**

The Commission authorized a \$0.00204 per kWh fuel cost credit, and opened Madison Gas and Electric Company’s (MGE) docket 3270-FR-103 under the fuel rules, Wis. Admin. Code ch. PSC 116. MGE’s current rates would be subject to refund with interest at 10.80 percent pending the final decision on a fuel rules rate reduction.

The Commission directed the Gas and Energy Division to draft an order consistent with its discussion.

**6680-AE-112 – Application for Approval of an Affiliated Interest Contract Between Wisconsin Power and Light Company and Cedar Rapids and Iowa City Railway Company for an Affiliated Interest Agreement**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**Wind Siting Legislation**

The Commission agreed to support the legislation, as currently written, that revises local wind siting authority for wind farms under 100 megawatts.

**CLOSED SESSION - The Commission recessed the open meeting, went into closed session under Wis. Stat. § 19.85(1)(g) to discuss the litigation matter noted below with legal counsel, and reconvened the open meeting pursuant to Wis. Stat. § 19.85(2).**

**ER09-681-000 – Green Power Express, LP**

Commissioner Meyer moved, pursuant to Wis. Stat. § 19.85(1)(g), that the Commission convene in closed session to discuss the litigation matter noted above with counsel. Commissioner Azar seconded the motion. The motion was carried and the Commission went into closed session.

After a discussion in closed session, the Commission reconvened in open session.

The Commission determined that a request for rehearing and clarification should be filed with the Federal Energy Regulatory Commission (FERC) in *Green Power Express, LP*, FERC Docket ER09-681-000.

The Commission delegated review of the request for rehearing and clarification to Commissioner Azar prior to its filing with FERC.

The Commission adjourned the meeting at 11:27 a.m.

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Sandra J. Paske  
Secretary to the Commission